Service Branding—Key Issue for Business Integration Vendors

Vendors of Business Integration (BI) services are increasingly becoming aware of the need to adopt consistent, clear, and understandable messages when marketing their service portfolios.

This realisation is as relevant to long-established IT services companies as it is to vendors who are recognised by the marketplace as being traditionally from outside the service arena.

This research bulletin discusses the steps that a number of vendors have taken in developing marketing messages focusing on their service offering and in particular on EDS's initiatives to actively build and establish a brand which is not just recognised but preferred by customers around the world.

Services Marketing is Maturing

IT services companies have begun to realise, many with a great deal of shock, how immature their marketing strategies and tactics have historically been, relative to other commercial product and service providers.

Few IT companies have been marketing led in the way that companies in the wholesale financial services or telecommunication sectors have been. Even fewer IT *services* companies have been marketing led.

As the growth and profitability of the IT industry has become centred on services, the need to professionally market more complicated messages than merely input/output speeds, or memory capabilities, has become key.

Marketeers have begun to look to lessons that have been learnt in other sectors and much of this advertising, branding, and communication experience is starting to filter through into the IT world.

EDS Establishes a Global Brand

EDS have undertaken a worldwide exercise to capitalise on its position as the world's largest IT services vendor.

EDS, with revenues of $8.5bn in 1993 are ranked well ahead of companies such as Apple, Compaq, and Microsoft as a global company. However, as a brand they clearly languish a long way short of companies like Apple and Microsoft who, in many ways, are household names.

Exhibit 1

EDS Branding

EDS Brand

Strategic Business Units

Products

Core Competencies

Source: INPUT
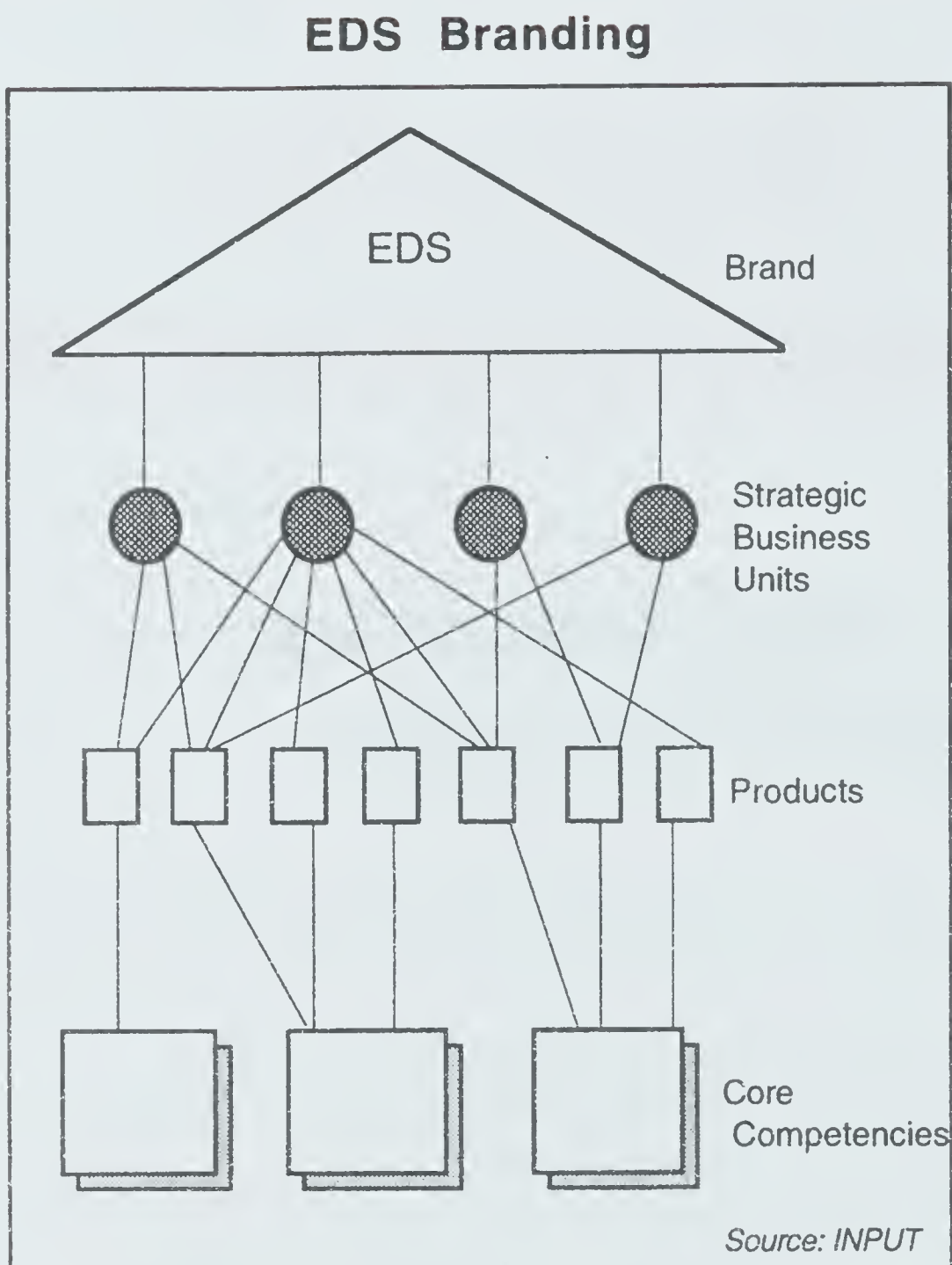
Alan Stevens, Director of Global Sales Leadership at EDS, has been responsible for driving the establishment of a single banner brand that encompasses all of EDS's offering across all territories. Stevens has stated that the drive was based on the realisation that an established market dominance would be strengthened further by a powerful brand, and that branding was a necessity in developing international business.

This need was especially important to EDS as through its growth via acquisition and outsourcing contracts, the company was an amalgam of many different cultures, styles, and operating methods. Acquired companies like SD-Scicon in the UK and GFI in France were originally known as EDS Scicon and EDS-GFI but have, after a period of grace, simply become known under the overall branding of EDS.

Brands Filter Complicated Messages

The importance of branding to the IT services community is that branding attempts to convey an enormous amount of complicated information in a simple understandable way.

As many IT vendors make the transition from being purely equipment suppliers to being service and *solution* providers there has been, and indeed still is, the potential that customers and potential customers misunderstand what it is that vendors offer.

Bull have recognised this concern as it has attempted to move from being what it openly described as, "an ailing hardware manufacturer", to a recognised leading European systems integration firm. Bull's stated mission as part of the 1991 initiative *Horizon 95* was to become a top-five system integration vendor by 1995.

Marketing has played an extremely influential part in making this transition and has focused on communicating a core branding proposition that Bull help clients "translate" between "business" and "operation". In other terms that Bull can act as a bridge between the different cultures, language, and expectations of IT and non-IT staff.

Exhibit 2

Leading Systems Integration Vendors–Europe, 1993

Rank	Company	Estimated Market Share (%)	1993 Estimated Revenue ($m)
1	IBM	20	800
2	Andersen Consulting	10	430
3	Cap Gemini Sogeti	8	335
4	Digital	6	250
5=	Groupe Bull	5	220
5=	ICL	5	220
5=	EDS	5	220
8	Sema Group	5	185
9	Siemens Nixdorf/Sietec Consulting	4	155
10	Logica	3	120
	Total listed	72	2935
	Total market	100	4100

Source: INPUT

This central thrust has been underpinned by: promotion and pricing initiatives; moves to forge partnerships with other vendors and with users; and the development of MOSIC (Management of System Integration Contracts), a proprieterial management methodology which Bull claim differentiates them in the marketplace.

However, Bull still concedes that its brand is not as clear as many of its competitors and that there is still a good deal of work to be done in reinforcing the marketplace's perception of the *new* Bull.

Brands have come to be recognised as one of the most valuable assets a company owns. Building a brand supports the long-term success of a company. Markets may change and companies offerings may change but a well-understood brand adds value to whatever the vendor offers.

This Research Bulletin is issued as part of INPUT's Business Integration Programme—Europe. If you have questions or comments on this bulletin, please call your local INPUT organization or Ben Pring at INPUT, 17 Hill Street, London, W1X 7FB, UK, 44 (0) 71 493 9335.

INPUT®

INTERNATIONAL IT INTELLIGENCE SERVICES

Clients make informed decisions more quickly and economically by using INPUT's services. Since 1974, information technology (IT) users and vendors throughout the world have relied on INPUT for data, research, objective analysis and insightful opinions to prepare their plans, market assessments and business directions, particularly in computer software and services.

Contact us today to learn how your company can use INPUT's knowledge and experience to grow and profit in the revolutionary IT world of the 1990s.

SUBSCRIPTION SERVICES

- Information Services Markets
  - Worldwide and country data
  - Vertical industry analysis
- Business Integration Markets
- Client/Server Applications and Directions
- Client/Server Software
- Outsourcing Markets
- Information Services Vendor Profiles and Analysis
- EDI/Electronic Commerce
- U.S. Federal Government IT Markets
- IT Customer Services Directions (Europe)

SERVICE FEATURES

- Research-based reports on trends, etc. (More than 100 in-depth reports per year)
- Frequent bulletins on events, issues, etc.
- 5-year market forecasts
- Competitive analysis
- Access to experienced consultants
- Immediate answers to questions
- On-site presentations
- Annual conference

DATABASES

- Software and Services Market Forecasts
- Software and Services Vendors
- U.S. Federal Government
  - Procurement Plans (PAR, APR)
  - Forecasts
  - Awards (FAIT)

CUSTOM PROJECTS

For Vendors—analyze:

- Market strategies and tactics
- Product/service opportunities
- Customer satisfaction levels
- Competitive positioning
- Acquisition targets

For Buyers—evaluate:

- Specific vendor capabilities
- Outsourcing options
- Systems plans
- Peer position

OTHER SERVICES

Acquisition/partnership searches

INPUT WORLDWIDE

Frankfurt
Sudetenstraße 9
D-35428 Langgöns-
Niederkleen
Germany
Tel. +49 (0) 6447-7229
Fax +49 (0) 6447-7327

London
17 Hill Street
London W1X 7FB
England
Tel. +44 (0) 71 493-9335
Fax +44 (0) 71 629-0179

New York
400 Frank W. Burr Blvd.
Teaneck, NJ 07666
U.S.A.
Tel. 1 (201) 801-0050
Fax 1 (201) 801-0441

Paris
24, avenue du Recteur
Poincaré
75016 Paris
France
Tel. +33 (1) 46 47 65 65
Fax +33 (1) 46 47 69 50

San Francisco
1881 Landings Drive
Mountain View
CA 94043-0848
U.S.A.
Tel. 1 (415) 961-3300
Fax 1 (415) 961-3966

Tokyo
Saida Building, 4-6,
Kanda Sakuma-cho
Chiyoda-ku, Tokyo 101
Japan
Tel. +81 3 3864-0531
Fax +81 3 3864-4114

Washington, D.C.
1953 Gallows Road
Suite 560
Vienna, VA 22182
U.S.A.
Tel. 1 (703) 847-6870
Fax 1 (703) 847-6872